

OSTER
Researching Services
12897 Colonial Dr. • Mt. Airy, Md. 21771
301-253-6040

September 30, 1996

Mr. Vernon Williams
Secretary
Surface Transportation Board
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board is an Assignment and Assumption Agreement dated 9/23/96 between the following parties:

Assignor: NorRail, Inc.
308 12th Avenue South
Buffalo, MN 55313

Assignee: FBS Business Finance Corporation
601 Second Avenue South
Minneapolis, MN 55402

Please record this agreement as a secondary document to STB Recordation # 19740. The filing fee of \$22 is enclosed.

Thank you for your assistance.

Sincerely,

Mary A. Oster

Mary Ann Oster
Research Consultant

Enclosures

19740-3

Accountants - Mary A. Oster

19740-5

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into as of September 23, 1996, by FBS BUSINESS FINANCE CORPORATION, a Delaware corporation (the "Assignee") and NORRAIL, INC., a Minnesota corporation (the "Assignor").

WHEREAS, Assignor owns certain items of railroad equipment (the "Equipment") which has been leased to Dakota, Minnesota & Eastern Railroad Corporation pursuant to a Master Lease Agreement, dated as of November 15, 1995 (the "Lease"); and

WHEREAS, pursuant to a certain Purchase and Sale Agreement (the "Purchase Agreement") of even date herewith, Assignor has agreed to sell and Assignee has agreed to purchase certain Assets, including but not limited to all of Assignor's right, title, and interest in the Lease and the Equipment (as such terms are defined in the Purchase Agreement); and

WHEREAS, with respect to periods on and after the date of execution and delivery of this Assignment Agreement, Assignee desires to acquire from Assignor and Assignor desires to sell to Assignee its right, title, and interest to the Assets, and Assignee is willing to assume all of Assignor's Obligations (as such terms are defined in the Purchase Agreement);

NOW, THEREFORE, in consideration of the promises herein made and subject to the terms and conditions herein set forth, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meanings specified in the Purchase Agreement.
2. Assignment. Assignor hereby sells, assigns, transfers, and conveys to Assignee all of Assignor's right, title, and interest in and to the Assets with respect to periods on and after the date of execution and delivery of this Agreement.
3. Assumption. Assignee hereby accepts the foregoing assignment, and with respect to periods on and after the execution and delivery of this Assignment Agreement, for the benefit of Assignor and each of the other parties having interests in the Lease and other agreements comprising the Contract Rights, hereby consents that it shall be a party to the Lease and other agreements comprising the Contract Rights, and Assignee hereby assumes all of Assignor's Obligations and agrees, to such extent, to be bound by all of the terms of such agreements.
4. Counterparts. This Assignment Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
5. Successors and Assigns. The terms of this Assignment Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto, and their respective successors and assigns.

6. Governing Law. This Assignment Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota.

7. Further Assurances. Each party agrees that from time to time after the date hereof it shall execute and deliver, or cause to be executed and delivered, such instruments, documents, and papers, and take all such further action, as may be reasonably required in order to consummate more effectively the purposes of this Assignment Agreement and to implement the transactions contemplated hereby. Assignor covenants and agrees to cooperate with Assignee in connection with any litigation arising with respect to the Assets.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be duly executed and delivered on the day and year first above written.

ASSIGNOR:

NORRAIL, INC.

By

Its

ASSIGNEE:

FBS BUSINESS FINANCE CORPORATION

By

Its

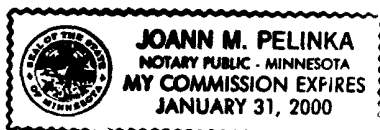
Jacqueline P. Barragan
Commercial Associate

STATE OF MINNESOTA

COUNTY OF Wright

On this 23RD day of Sept, 19 96 before me personally came Russell S. Adams, to me known, who, being by me duly sworn, did depose and say that he/she is the V.P. Sales of NORRAIL, INC., a Minnesota corporation, and he/she acknowledged to me that he/she executed the foregoing document on behalf of said corporation by order of its Board of Directors and that such document was the free act and deed of said corporation.

Witness my hand and official seal.



Joann M. Pelinka
Notary Public in and for said State

My commission expires:

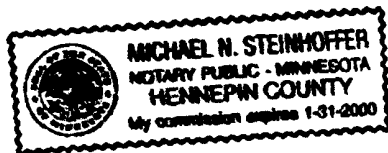
1/31/2000

STATE OF MINNESOTA

COUNTY OF HENNEPIN

On this 23rd day of September, 1996, before me personally came JACQUELINE P. BACKLHAN, to me known, who, being by me duly sworn, did depose and say that he/she is the COMMERCIAL ASSOCIATE of FBS Business Finance Corporation., a Delaware corporation, and he/she acknowledged to me that he/she executed the foregoing document on behalf of said corporation by order of its Board of Directors and that such document was the free act and deed of said corporation.

Witness my hand and official seal.



Michael N. Steinhoffer
Notary Public in and for said State

My commission expires:

01-31-2000